



JEDC General Meeting

**City Hall, 4th Floor (Suite 400)
Mayor's Large Conference Room**

Thursday, August 12, 2010 – 9:00 a.m.

MEETING MINUTES

Commissioners Present: Chair Z. Boulos, J. Meeks, B. Moore, and R. Shoemaker

JEDC Staff Presenting: Ron Barton, Lindsey Ballas, and Eric Lindstrom

Representing Office of City Council: Council Member Reginald Brown, District 10

Representing Office of General Counsel: Juliana Rowland

I. CALL TO ORDER

Chair Boulos called the meeting to order at 9:03 a.m.

II. ACTION ITEMS

APPROVAL OF THE JUNE 10, 2010 JEDC MEETING MINUTES

THE JUNE 10, 2010 JEDC MEETING MINUTES WERE APPROVED UNANIMOUSLY 4-0.

BROOKS HEALTH SYSTEM HEALTH CARE FACILITY REVENUE BOND – Lindsey Ballas

Ms. Ballas provided an overview of the project recommending approval of the JEDC Bond Resolution authorizing the issuance of Health Care Facilities Revenue Bonds in the not to exceed amount of \$65,000,000. Ms. Ballas introduced Chauncey Lever, Foley & Lardner representing Brooks Health System, and Bruce Blake, Corporate Controller, Brooks Health System

The following were relative comments from the Board:

- Referencing the University Blvd. address, asked if the funds were going to be used for that facility.

Mr. Blake replied that the issuance will refinance certain short term financing in place for some improvements at the University Blvd. location, but also to finance future improvements for the next three years for the not for profit hospitals, and the outpatient centers within the Jacksonville area. In addition, they are building a new skilled nursing facility in the Jacksonville area within the next few years.

- Asked if the new skilled nursing facility would be at the University Blvd. address.

Mr. Blake responded that it would not. He added that they have a parcel of land across from Baptist South in the Bartram Park area and they are currently looking at plans to place the skilled nursing facility there.

- Asked if the plans were concrete to build in the Bartram Park area and asked for a timetable for what the Commission is approving the request for and when they anticipate needing it.

Mr. Blake replied that the legal structure is that all of the facilities are Brooks and Brook's affiliates. There is going to be three loans. One loan is to Brooks Home Care Manage and it will be the primary entity to fund improvements for the hospital, home care, clinics and all the non skilled nursing facilities. The skilled nursing facility it is going to be a transfer of the license from the existing St. Augustine facility to the new location in Duval County, which is in the same health care district. The St. Augustine facility will continue to operate until the new one is built mid 2012.

Ms. Shoemaker explained that the reason why it has to be done that way is that the state has a moratorium on issuing any licenses. They had to go out and buy the facility to get the license to be able to transfer it to the new facility.

Mr. Blake added that there is a moratorium because the state feels that for skilled nursing facilities there are too many beds that are already licensed. The state average for skilled nursing facility occupancy is in the mid 85 – 84 percent at this time. They have had and continue to have a moratorium for new beds for skilled nursing facilities. Mr. Blake clarified that this is a rehabilitative facility.

A MOTION WAS MADE BY COMMISSIONER MOORE AND SECONDED BY COMMISSIONER SHOEMAKER AUTHORIZING A RESOLUTION PROVIDING FOR AND AUTHORIZING THE ISSUANCE BY THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION OF ITS HEALTH CARE FACILITIES REVENUE BOND (BROOKS HEALTH SYSTEM), SERIES 2010, ITS HEALTH CARE FACILITIES REVENUE BOND (BROOKS HEALTH SYSTEM), SERIES 2011A AND ITS HEALTH CARE FACILITIES REVENUE BOND (BROOKS HEALTH SYSTEM), SERIES 2011B, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$65,000,000, FOR THE PURPOSE OF OBTAINING FUNDS TO LOAN TO BROOKS HOME CARE ADVANTAGE, INC., BROOKS SKILLED NURSING FACILITY A, INC. AND BROOKS SKILLED NURSING FACILITY HOLDINGS A, INC., EACH A FLORIDA NOT FOR PROFIT CORPORATION, TO FINANCE OR REFINANCE ALL OR A PART OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, EQUIPPING, RENOVATION AND EXPANSION OF CERTAIN CAPITAL PROJECTS, LOCATED OR TO BE LOCATED IN THE CITY OF JACKSONVILLE AND IN THE CITY OF ST. AUGUSTINE, AS DESCRIBED HEREIN; PROVIDING THAT SAID BONDS SHALL NOT CONSTITUTE A GENERAL DEBT OR LIABILITY OF THE ISSUER OR A DEBT LIABILITY OR OBLIGATION OF THE CITY OF JACKSONVILLE, FLORIDA,

DUVAL COUNTY, FLORIDA, OR OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES HEREIN PROVIDED; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT WITH RESPECT TO EACH SERIES OF BONDS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE FOREGOING, INCLUDING AN INTERLOCAL AGREEMENT WITH THE CITY OF ST. AUGUSTINE, FLORIDA, OR OTHER GOVERNMENTAL ENTITY WITH JURISDICTION, WITH RESPECT TO THE PORTION OF THE PROJECT TO BE LOCATED IN SAID CITY; AUTHORIZING THE EXECUTIVE DIRECTOR OF THE AUTHORITY TO AWARD THE PLACEMENT OF THE BONDS TO COMPASS MORTGAGE CORPORATION, AND APPROVING THE CONDITIONS OF SUCH PLACEMENT; AND PROVIDING CERTAIN OTHER DETAILS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE. THE MOTION PASSED UNANIMOUSLY 4-0.

MAIN STREET DEVELOPMENT, INC. TCEA – Eric Lindstrom

Mr. Lindstrom provide an overview of the project recommending that the Jacksonville Economic Development Commission (JEDC) (i) approve the JEDC resolution of support, which approves the Redevelopment Agreement and associated DRI Allocation of Development Rights Agreement (collectively the Agreement) by and among the JEDC, the City of Jacksonville (City) and Main Street Development, Inc. (Developer), (ii) request the City Council to enact legislation approving the Agreement; and (iii) authorize the Executive Director of JEDC, or his designee, to execute and deliver documents and take further action to effectuate the purpose of this resolution, which shall include any changes deemed necessary by JEDC staff or City Council that do not increase the JEDC or City costs. Mr. Lindstrom introduced Mr. Andre Bahri and Ms. Carla Bahri who were present to answer any questions.

The following were relative comments from the Board:

- Asked if the Bahri's either currently or in the past have owned and/or operated similar type convenience stores to serve as an example of what they have done in the past.

Ms. Bahri replied that they have owned and operated several similar convenience store locations in the past.

- Referencing other nearby locations where vagrants frequently hang around asked if they have anticipated what it may take to attract the customer base they are seeking versus having others hang out that are going to repel the customers.

Ms. Bahri replied that they will not be able to prevent 100% of the possibility of people who are wayward from hanging around their facility; however, she feels the aesthetics of the building will attract professionals as where the ones that do hang out may be comfortable where they already are. She added that the purpose of the urban feel to the project was in hopes of attracting a different market.

- Suggested that the convenience store carry items that will attract the clientele they are seeking.

Council Member Brown added that they have similar problems with people hanging out. He added that he has developed a relationship with the Sheriff's Office and told them that he supports them in helping to clean up the community and move traffic adding that he has been encouraged with this type of practice throughout the City. It works wonderfully when law enforcement officers move traffic from a hang out area, and if they do it enough people eventually get the message. He commented that it has helped him on Cleveland Road move traffic. He commented that there needs to be a citywide push to reduce or curtail loitering and things that bring down a community. If you are riding in the evening downtown the Shell station is the only station available. He offered to bring the subject to the Sheriff's attention.

Referencing the Allocation of Development Rights Agreement, Mr. Lindstrom recommended on page three "Conditions Subsequent" extend the 12 months to 18 months that the development rights would be available in order to give the developer time to get through the various processes that they are going to have to go through.

A MOTION WAS MADE BY COMMISSIONER SHOEMAKER AND SECONDED BY COMMISSIONER MOORE APPROVING ON PAGE THREE OF THE ALLOCATION OF DEVELOPMENT RIGHTS AGREEMENT "CONDITIONS SUBSEQUENT" TO EXTEND THE 12 MONTHS TO 18 MONTHS THAT THE DEVELOPMENT RIGHTS WOULD BE AVAILABLE IN ORDER TO GIVE THE DEVELOPER TIME TO GET THROUGH THE VARIOUS PROCESSES THAT THEY ARE GOING TO HAVE TO GO THROUGH. THE MOTION PASSED UNANIMOUSLY 4-0.

A MOTION WAS MADE BY COMMISSIONER MEEKS AND SECONDED BY COMMISSIONER SHOEMAKER AUTHORIZING A RESOLUTION A RESOLUTION OF THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION ("JEDC") SUPPORTING A REDEVELOPMENT AGREEMENT AND AN ASSOCIATED ALLOCATION OF DEVELOPMENT RIGHTS AGREEMENT (COLLECTIVELY "AGREEMENT") BY AND AMONG THE JEDC, THE CITY OF JACKSONVILLE ("CITY") AND MAIN STREET DEVELOPMENT, INC. ("DEVELOPER"); REQUESTING THE CITY COUNCIL TO ENACT LEGISLATION APPROVING THE AGREEMENT; AUTHORIZING THE EXECUTIVE DIRECTOR OF THE JEDC, OR HIS DESIGNEE, TO EXECUTE AND DELIVER DOCUMENTS AND TAKE FURTHER ACTION TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE. THE MOTION PASSED UNANIMOUSLY 4-0.

III. INFORMATION/DISCUSSION ITEMS

REVIEW OF THE KINGSOUTEL CROSSING (CORRIDOR) COMMUNITY REDEVELOPMENT PLAN – Karen Nasrallah

Ms. Nasrallah provided an overview of the CRA (Community Redevelopment Area) process and how it works.

Ms. Nasrallah provided an overview of the KingSoutel CRA.

The following were relative comments from the Board:

- Asked what the population was in the area.

Council Member Brown replied that he did not have the specific numbers, but that the area was extremely rural. He mentioned that he met with Congress Woman Corrine Brown yesterday and someone from the FDOT. There are some new ADA requirements that Jacksonville is going to be faced with especially the US 1/Kings Road area. CM Brown mentioned that this is the oldest highway coming into Jacksonville and is the gateway coming into Jacksonville you would think the area would be far more advanced. CM Brown told the Commission that he appreciates everything they are doing. This is a step in the right direction. This is like two Jacksonville's and when he says that he does not mean in terms of people he is referring to a rural area and he is ok with that but not the main road into the City should look the way it currently does.

- Commented that they know someone who chose to live in the subject area because it is rural and asked CM Brown if he thought this was something the citizens were in favor of.

CM Brown responded absolutely adding that he hopes the whole area changes. Money has been approved by congress and they are waiting on appropriations for drainage and sewage dollars. His desire is to bring that area up to where the rest of Jacksonville is so that when people come through the Duval County line they see a city, especially coming up US 1. He commented that it is an older community and pedestrians are forced to walk on the grass next to the road because there are no sidewalks and there are semi trucks coming down the road and people trying to cross New Kings Road from the bus station to the senior center without any traffic lights. He is amazed that there have not been any fatalities in the area. CM Brown added that the Picketville Homeowners Association is very active and protective of their community and they are going to preserve the Picketville community. We are not trying to lose the historic Picketville posture, but we are trying to give the corridor a better appearance when you drive through.

- Referenced the TIF and there being no money asked about the plans to pay for the project. It is about a \$17 million dollar project and the budget has been approved but the funding has not been approved.

Ms. Nasrallah concurred adding that they will have to find funding sources as they go along. Once you develop a CRA there are other opportunities that open up with it such as federal and state grants. We will have to seek funding in areas other than TIF financing.

Ms. Nasrallah commented that no action was being asked of the Commission adding that the project and an overview of the CRA was presented for informational purposes only. She added that they wanted to make the Commission aware of the KingSoutel CRA because as projects come forward they will be presented to the Commission for review and approval.

Commissioner Meeks asked if he could get a tour of the area and CM Brown said he would be pleased to accommodate his request.

EXECUTIVE DIRECTOR'S REPORT – Ron Barton

Mr. Barton advised that the Commission is currently short two Commissioners. Commissioner Ezell has resigned. She wants to spend more of her time and energy on the transportation mobility plan and Commissioner Corr is unable to serve another term as he is spending more of his time in North Carolina. Legislation is in the process for two new volunteers to serve on the Commission, George Gable who is very active in the economic development field, and Cleveland Ferguson who is a professor at Coastal Law. Several current Commissioners are in the process of being reappointed through the Council process.

We are in the process of wrapping up the Cecil/Hillwood legal documents for execution. We decided to go ahead and Hillwood was more inclined to want to do this as well. There is a reference in the agreements and as you would have in very large scale projects covenants and restrictions to guide how you marshal the property as you move it forward into the various phases of ownership. We had a version of it even today under City stewardship and in the process we were continuing to refine and negotiate CCRs that we would see Hillwood accepting and implementing. We got so pressed at the end that we basically said in the agreement that within the first six months of the execution of the agreement, the CCRs would be finalized. We are so close we are going to try and go ahead and refine them and finalize them and we would bring those to the Commission. The Agreements do not actually require JEDC approval at a Board level, but we will bring them to the Commission anyway so you are conversant of it. He added that he thinks it is a good decision to go ahead and get the CCRs established and a meeting of the minds between our master developer and us now and then we execute and actually hit the ground running.

Provided a brief update on the Laura Street Improvements. The project has also proved to be an urban history learning lesson.

Mr. Meeks requested an update on the Laura St. Trio.

Mr. Barton advised that the developers that have an option to purchase have not closed. They are still in their due diligence. As you would expect they are in significant conversations with financial lenders. That is also the due diligence that they have to generate for that conversation is the same due diligence that we are waiting for. We have made it clear that we are going to be looking at the development Performa's no differently than a bank depending on what our potential partnership role is. We will be dissecting assumptions on occupancy rate, what the cost are to run those facilities, what is their sensitivity in the model for risk, etc. We are going to be asked to do all the same things. There is a lot more work ahead, but the ball is in their court to produce that first.

Mr. Barton offered to have the developer provide an overview of the physical product at the next JEDC meeting.

Mr. Meeks asked about the status of the SSE, Inc. project presented at the February 10, 2010 JEDC meeting.

Ms. Ballas advised that they have gotten the contract signed with their defense contractor, which is a very positive step and key to being able to move forward with the project.

Provided a brief update on Friendship Fountain, the Southbank Riverwalk, and the floating dock projects.

The Hallmark/Brooklyn project passed City Council. The agreements have been executed with FDOT.

Chair Boulos asked for an update on the Shipyards.

Mr. Barton advised that Shipyards is at Council for approval to accept deeds in lieu of foreclosure, so the property will return to the City.

IV. OLD BUSINESS

No old business was discussed.

V. NEW BUSINESS

No new business was discussed.

VI. PUBLIC COMMENTS

There were no comments from the public.

VII. ADJOURNMENT

There being no further business, Chair Boulos adjourned the meeting at 10:34 a.m.

The next JEDC General Meeting is scheduled for Thursday, September 9, 2010 at 9:00 a.m.

Witness

Jacksonville Economic Development Commission

Print Name: _____

Zimmerman Boulos, Chairman

Print Name: _____

Vote: **In Favor:** __ **Opposed:** __ **Abstained:** _